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Kenneth Rust
Director, Federal Regulatory Affairs

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October 8, 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ex Parte

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals
445 12th Street, S.W.
Washington, D.C. 20554

Re: CC Docket Nos. 96-1, 96-45, 99-249, & 96-262

Dear Ms. Salas:

Yesterday, Frank Gumper, Susanne Guyer, Ed Lowry, and I, representing Bell Atlantic, met with Yog Varma and Rich Lerner of the Common Carrier Bureau, and Patrick DeGraba of the OP&P, regarding the CALLS proposal. Due to the late hour at which the meeting ended, a formal notification of the ex parte presentation could not be filed until today. The attached material served as the basis for the discussion throughout the meeting.

Any questions on this filing should be directed to me at the number or address shown above.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ken. Rust".

Attachment

cc: Mr. P. DeGraba
Mr. R. Lerner
Mr. Y. Varma

Coalition for Affordable *Local* and *Long* Distance Service Plan

The “*CALLS*” Plan

Frank Gumper

VP Regulatory & Long Range Public Policy

Bell Atlantic

October 7, 1999

The CALLS Plan

- Establishes a “social compact” under which switched access rates and long distance rates fall
- Creates an explicit universal service fund to replace \$650M of implicit support currently collected in interstate access charges
- Simplifies current common line charges with one end user charge and allows deaveraging without undermining universal service

Bell Atlantic Support for CALLS

- CALLS Plan:
 - Addresses access rates and implicit universal service in a comprehensive and integrated proposal
 - Creates an access framework consistent with a competitive marketplace, technological developments and new advanced services
 - Creates regulatory stability by providing for a cease fire for a five year period
 - Eliminates distinction between primary and nonprimary lines
 - Allows SLC Deaveraging by zones

CALLS Plan

Public Policy Benefits for Consumers

- Reductions in interstate long distance bills
- Creates a simplified bill that is more understandable by combining SLC and PICCs, and more certainty about future changes
- Expands Lifeline support to offset combined SLC and PICC
- Protects high cost customers by establishing SLC caps for deaveraging
- Encourages broader competition by identification and portability of explicit support
- More economically sound rate structure encourages competition in all geographic areas, not just low cost urban areas

CALLS' Plan Versus Status Quo

- Regulatory uncertainty in the status quo
 - Price Cap Remand Order
 - Special Access Pricing Flexibility
 - UNE Replacement of Special Access
 - Switched Access NPRM
 - Interstate Universal Service Support

The CALLS Proposal

- Addresses the complex and inter-related access reform and universal service issues in a comprehensive and integrated manner
- Is consistent with sound economic principles:
 - encourages facilities-based competition
 - provides a reasonable transition that ensures universal service
- Provides a framework that will stimulate economic growth and expand the information/telecom sector